

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3535-01  
Bill No.: HB 1326  
Subject: Campaign Finance, Elections, Political Parties  
Type: Original  
Date: January 25, 2010

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Bill Summary: Changes the laws regarding campaign contributions to candidates and committees.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$15,120)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$15,120)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Missouri Ethics Commission (MEC)** assume the proposed legislation would implement campaign finance limits. The implementation of the above responsibilities would require the following additional resources:

\$15,120 in expense and equipment to acquire contract services that would develop the MEC internal search capabilities for oversight of the campaign finance committees' adherence to the specific contribution limits, as established in 105.955.14, RSMo. Current campaign finance data collection would allow the MEC to use search capabilities, providing for a manual review by MEC staff of adherence to the established limits.

One Investigator to accommodate anticipated increase in enforcement duties, as established in current state statute, related to the new provisions.

One Business Analyst to conduct the routine work necessary in reviewing and providing oversight for the proposed legislation. The Business analyst would review committee reports for compliance, prepare necessary notices, track the receipt of payment, and coordinate the necessary collection efforts. Currently two Business Analysts assist 2,800 committees in filing campaign finance reports, prepare and disseminate 15,000 notices, and review 11,000 campaign finance reports.

Increases in investigations and oversight, beyond the Commission's current duties, would require the addition of 1 Investigator Supervisor and 1 Staff Attorney. Currently 1 supervisory staff oversees all investigations, filing of 11,000 campaign finance reports, 15,852 monthly lobbyist reports, 4,291 personal financial disclosure reports, registering 1,000 lobbyists, education and outreach.

The Commission would anticipate that changes or additions to the proposed language set forth in this bill may require additional associated costs for FTE, equipment, and expenses.

In 2008, Senate Bill 1038 repealed campaign finance contribution limits in Missouri. At that time, the Missouri Ethics Commission did not reduce its number of FTE due to the cutback in the number of complaints and investigations caused by the campaign limits being repealed. Additionally, the Missouri Ethics Commission did not reduce its number of FTE because they were no longer required to monitor the amount of contributions received from an individual. Therefore, **Oversight** assumes the current FTE should be able to handle the increased number of complaints and investigations and the review of the campaign finance reports due to the limits

ASSUMPTION (continued)

being reimposed. **Oversight** assumes this proposal has no fiscal impact on the Missouri Ethics Commission.

**Oversight** assumes the contribution limits go into effect on January 1, 2011.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (6 Mo.)	FY 2012	FY 2013
<b>GENERAL REVENUE</b>			
<u>Cost - Missouri Ethics Commission</u> one-time computer upgrades	<u>(\$15,120)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$15,120)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Beginning January 1, 2011, this bill changes the laws regarding campaign contributions to candidates and committees. In its main provisions, the bill:

- (1) Limits campaign contributions from any person other than the candidate in any one election to candidates for statewide office at \$1,275; for state senator, \$650; and for state representative, \$325. Limits for local candidate contributions are based on population and are specified in the bill. Candidate committees will be exempt from these limits;
- (2) Limits contributions made or accepted by political party committees to \$10,000 for a statewide candidate; \$5,000 for a state senator candidate; \$2,500 for a state representative candidate; and 10 times the allowable individual contribution for candidates for other local

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FISCAL DESCRIPTION (continued)

offices;

(3) Requires contributions from children younger than 14 years of age to be counted equally toward their parents' contribution limits or, in the case of a single parent, counted fully against that parent's contribution;

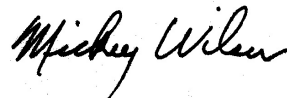
(4) Establishes a surcharge penalty payable to the Missouri Ethics Commission of \$1,000 plus the amount of the nonallowable contribution for a violation of the campaign contribution limits by any committee and requires the candidate to return the nonallowable contributions to the contributor within 10 business days; and

(5) Requires a separate accounting procedure for funds received and expended before January 1, 2011, and allows the use of those funds based on the current laws.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Ethics Commission



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Director  
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